

110TH CONGRESS
2D SESSION

H. R. 6602

To provide for the use of amended income tax returns to take into account receipt of certain hurricane-related casualty loss grants by disallowing previously taken casualty loss deductions.

IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2008

Mr. SCALISE introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To provide for the use of amended income tax returns to take into account receipt of certain hurricane-related casualty loss grants by disallowing previously taken casualty loss deductions.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. USE OF AMENDED INCOME TAX RETURNS TO**
2 **TAKE INTO ACCOUNT RECEIPT OF CERTAIN**
3 **HURRICANE-RELATED CASUALTY LOSS**
4 **GRANTS BY DISALLOWING PREVIOUSLY**
5 **TAKEN CASUALTY LOSS DEDUCTIONS.**

6 (a) IN GENERAL.—Notwithstanding any other provi-
7 sion of the Internal Revenue Code of 1986, if a taxpayer
8 claims a deduction for any taxable year with respect to
9 a casualty loss to a principal residence (within the mean-
10 ing of section 121 of such Code) resulting from Hurricane
11 Katrina, Hurricane Rita, or Hurricane Wilma and in a
12 subsequent taxable year receives a grant under Public Law
13 109–148, 109–234, or 110–116 as reimbursement for
14 such loss, such taxpayer may elect to file an amended in-
15 come tax return for the taxable year in which such deduc-
16 tion was allowed (and for any taxable year to which such
17 deduction is carried) and reduce (but not below zero) the
18 amount of such deduction by the amount of such reim-
19 bursement.

20 (b) TIME OF FILING AMENDED RETURN.—Sub-
21 section (a) shall apply with respect to any grant only if
22 any amended income tax returns with respect to such
23 grant are filed not later than the later of—

24 (1) the due date for filing the tax return for the
25 taxable year in which the taxpayer receives such
26 grant, or

1 (2) the date which is 1 year after the date of
2 the enactment of this Act.

3 (c) WAIVER OF PENALTIES AND INTEREST.—Any
4 underpayment of tax resulting from the reduction under
5 subsection (a) of the amount otherwise allowable as a de-
6 duction shall not be subject to any penalty or interest
7 under such Code if such tax is paid not later than 1 year
8 after the filing of the amended return to which such reduc-
9 tion relates.

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